

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA

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CRIMINAL NO. 09-220

v.

*

SECTION: "I"

JEANELL LARRY

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VIOLATION: 18 U.S.C. § 641

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FACTUAL BASIS

Should this matter have gone to trial, the Government would have proved beyond a reasonable doubt, through the introduction of competent testimony and admissible tangible exhibits, the following facts to support the allegations charged by the Bill of Information now pending against the defendant, **JEANELL LARRY**.

An official from the Small Business Administration ("SBA") would testify that the SBA is an agency of the government of the United States of America. Further, an employee of the SBA would testify that in the weeks and months after Hurricane Katrina, which struck southeastern Louisiana on August 29, 2005, the SBA allowed affected individuals to apply directly to the SBA for a low interest

disaster assistance loan. In order to receive these funds, applicants needed to submit a Disaster Home Loan Application. After an application is received, the SBA would meet with the applicant to complete a loss verification report. This meeting allows for the loss verifier to observe the claimed damage and to determine property entitlement. After the loss report is filed, the SBA and the applicant will have a loan closing where the terms of the loan are discussed in detail. After the closing, the SBA disburses \$10,000 for a primary residence loan. Any additional amount over the primary disbursement is approved based on required documents that the applicant must submit, such as a Borrower's Progress Certification. In addition to the standard requirements, the applicant must provide receipts and/or invoices of repairs made to the property in accordance with the loan closing. This allows for subsequent disbursements with additional stipulations for future disbursements.

An SBA employee would testify that prior to Hurricane Katrina, the defendant, **JEANEL LARRY** (hereinafter "**LARRY**"), owned and resided in a house located at 1825 Wedgewood Drive, Harvey, Louisiana 70050 (hereinafter referred to as "Wedgewood Drive"). On August 29, 2005, Hurricane Katrina made land fall and impacted the Jefferson Parish area where **LARRY'S** property was located.

Testimony from an employee of the SBA, and other admissible documentary evidence would be introduced to prove that the defendant, **LARRY**, submitted an SBA Disaster Home Loan application to the SBA for repair of her primary residence located at 1825 Wedgewood, Jefferson, Louisiana 70050. The home loan was approved in the amount of \$60,000.00, and on July 15, 2006, **LARRY** received a disbursement from the SBA totaling \$10,000. On August 14, 2006, a second

disbursement was made to **LARRY** in the amount of \$67,200, which included proceeds to cover personal property losses.

To support disbursements of the loan, **LARRY** submitted altered invoices to the SBA via facsimile on August 8, 2006, in the amount of \$7,460.00 to induce the SBA to provide her with a larger loan disbursement than she was entitled to. It was further part of the scheme and artifice to defraud that **LARRY** failed to disclose to the SBA all of the insurance proceeds she received from Lexington Insurance Company as required by the SBA loan agreement. According to the SBA, partial assignment of insurance form that **LARRY** prepared and submitted to the SBA during the loan closing, she falsely and fraudulently stated she had received \$1,246.00 in insurance proceeds. As she well knew, she received two checks in the total amount of \$10,515.95 in insurance proceeds to repair her home from Lexington Insurance Company that she falsely failed to disclose to the SBA. This resulted in the SBA loan disbursements being \$16,729.95 more than it should have been under the SBA rules and loan requirements.

Witnesses from the SBA Office of Inspector General would testify that **LARRY** was interviewed on August 5, 2008, and that she admitted to altering and submitting forged invoices to the SBA for the initial disaster loan, and to obtain an increase in the loan amount. She also admitted in the interview that she applied for the loan because she was in a financial bind, and needed the money to make payments on her first and second mortgages.

Finally, a witness from the SBA would testify that **LARRY**, through her scheme, stole approximately \$16,729.95 in government funds from the government by falsely and fraudulently obtaining a larger SBA disaster loan amount for which she knew she was never entitled; all in violation of 18, United States Code, Section 641.

JEANELL LARRY
Defendant

ROMA KENT
Attorney for Defendant

SPIRO LATSIS
Assistant U.S. Attorney